

News Release



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FOR IMMEDIATE RELEASE

Maricopa County Schools Superintendent Indicted on 25 charges

(Phoenix, Ariz. – Nov. 20, 2006) Attorney General Terry Goddard and Maricopa County Sheriff Joe Arpaio today announced that Maricopa County Superintendent of Schools Sandra E. Dowling, 50, has been indicted on 25 felony charges. They include two counts of theft, 10 counts of misuse of public monies, four counts of procurement code fraud, five counts of conflict of interest and four counts of prohibition against acquisition of certain interest by public officials.

The grand jury also indicted four other people on related charges.

The allegations against Dowling all relate to her operation of the Maricopa County Regional School District (MCRSD), a special school district which is also known as an accommodation district. State law allows the establishment of an accommodation district for homeless children and other students who reside outside of the public school district boundaries.

MCRSD this year included 12 schools with a total attendance of about 1,600 students. Roughly half of those students were homeless children attending one of three schools named for Thomas J. Pappas. According to state law, the county superintendent sits as the one-person governing board for the accommodation school district.

The charges focus on Dowling's alleged corrupt use of public funds in five areas:

- (1) Theft and misuse of \$1,859,000 from the Indirect Cost Fund she controlled as County School Superintendent.
- (2) Bid-rigging and spending \$207,000 in MCRSD funds on federal lobbyists, in part to further Dowling's political interests.
- (3) Bid-rigging and awarding a \$2 million real estate sales contract (for sale of MCRSD-owned vacant land) to a real estate firm that employed Dowling.
- (4) Bid-rigging and awarding about \$81,000 in MCRSD landscape maintenance contracts to Dowling's son, Dennis.
- (5) Theft and misuse of about \$163,000 by diverting funds that had been donated to MCRSD into a private foundation controlled by Dowling and by using MCRSD funds to pay the salary of a fund-raiser for that private foundation.

The indictment also states that a school district is prohibited by state law from incurring obligations or awarding contracts if sufficient funds are not available for budgeting. The indictment says that

beginning in fiscal year 2000, Dowling operated MCRSD at an ever-increasing accumulated cash deficit that rose to about \$3.75 million in FY2005.

"These charges amount to a substantial abuse of public office," Goddard said. "The indictment alleges that Sandra Dowling's actions were improperly influenced by her personal interests and favoritism. This sad and serious breach of public trust is particularly aggravating when it injures not only taxpayers, but also homeless children and the many people in this community who have donated so much time and money to the worthy cause of providing those children with good schools. We will vigorously prosecute this case."

Maricopa County Sheriff Joe Arpaio said the investigation began last January when his office obtained information from various sources that the MCRSD had an exceptionally large, unexplained deficit.

Over the past 11 months, the Sheriff's office dedicated 20 of the MCSO's most experienced detectives to review the extensive financial documents obtained in search warrants executed at Dowling's home and offices on January 25, 2006.

"Sandra Dowling knowingly put herself as the sole authority over large sums of public and private money and proceeded to misuse that money for her personal and professional gain," Arpaio said. "She was supposed to help homeless and troubled children. Instead she was helping herself."

The indictments were handed down by the State Grand Jury on Nov. 16. The Grand Jury also indicted:

- Marc Frazier, 46, of Higley, on four counts of procurement fraud, two counts of theft and one count of forgery.
- Joseph M. Lopez, 50, of Phoenix, on three counts of procurement code fraud.
- Dennis S. Dowling, 30, of Tolleson, on two counts of procurement code fraud and one count of theft.
- Rexanne K. Meredith, 57, of Phoenix, on two counts of theft.

The defendants will be arraigned in Maricopa County Superior Court on Nov. 29 at 8:30 a.m. The Attorney General's Office is prosecuting this case. A copy of the indictment is attached.

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